

**U.S. Department of the Interior  
Bureau of Land Management  
White River Field Office  
220 E Market St  
Meeker, CO 81641**

**FINDING OF NO SIGNIFICANT IMPACT (FONSI)  
DOI-BLM-CO-110-2012-0023-EA**

**BACKGROUND**

Blue Mountain Energy (BME) submitted a Lease-by Application (LBA) for issuance of a federal coal lease identifying approximately 3,157.43 acres of previously un-leased federal coal. To process an LBA, the Bureau of Land Management (BLM) must evaluate the environmental and socioeconomic impacts of leasing the Federal coal in accordance with the requirements of the National Environmental Policy Act (NEPA) of 1969. The BLM prepared Environmental Assessment (EA), DOI-BLM-CO-110-201-0023-EA, to evaluate and disclose environmental effects of leasing the Federal coal included in the LBA.

By law and regulation, the LBA process is an open, public, competitive sealed-bid process. Bidding at any potential sale is not restricted to the applicant. In order for BLM to award and issue a coal lease, the highest bid received must meet or exceed fair market value of the coal as determined by BLM's economic evaluation.

Blue Mountain Energy submitted the LBA because the area is adjacent to their permitted Deserado Mine and a logical extension of the existing mine. The Federal coal can be mined using Deserado Mine facilities, equipment, and employees. The coal in the 3,157.43 acre LBA would be bypassed if not leased due to its isolated location and geologic conditions. Alternatives in the LBA EA that were analyzed in detail assume that the applicant will be the successful bidder if a competitive sale is held.

**FINDING OF NO SIGNIFICANT IMPACT**

Based on the analysis of potential environmental impacts contained in the attached environmental assessment, and considering the significance criteria in 40 CFR 1508.27, I have determined that the Proposed Action will not have a significant effect on the human environment. An environmental impact statement is therefore not required.

**Context**

This project is a site-specific action directly involving underground mining of federal coal reserves in a 3,157.43 acre lease tract and surface impact to approximately 56 acres of BLM land. Direct surface impact will be limited to temporary drill pads with facilities and associated light use roads required for mine infrastructure associated with underground development. The land disturbance associated with this project would not change the existing character of the local landscape. There would be socioeconomic benefits related to continued mining and coal production at or near current levels that are currently being mined. Maximum short-term surface disturbance including temporary light-use access roads would be less than two percent of the surface area of the lease area.

Affected interests for this project may include special use and grazing permittees, and people who use the area for recreation. Effects would be short-term and minor. No short or long term significant impacts on affected interests are expected in the regional context.

### **Intensity**

The following discussion is organized around the 10 Significance Criteria described at 40 CFR 1508.27. The following have been considered in evaluating intensity for this Proposed Action:

#### **1. Impacts that may be both beneficial and adverse.**

Beneficial and adverse effects of the Proposed Action were described in the EA. Mitigating measures to reduce potential short-term impacts to soils, distribution of invasive non-native species, sensitive plants, migratory birds, wildlife, cultural and paleontology are identified. The project would make a minor contribution to small amounts of airborne particulate matter during drilling and release of methane and other greenhouse gases (GHGs) during the mining process. Benefits of the project would be continuation of gainful employment in the coal mine, and contribution to the supply of coal to meet the nation's energy demands. None of the environmental effects discussed in the EA are considered significant.

#### **2. The degree to which the Proposed Action affects public health or safety.**

Post leasing operations would have to comply with Mine Safety and Health Administration (MSHA) and Colorado Division of Reclamation, Mining and Safety (DRMS) mining permit requirements. Potential risks to public health and safety would be low and would occur over limited, brief periods.

#### **3. Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.**

Cultural resources are discussed in Item 8 below. The following are not affected because they are not present near the project area: Park lands, Areas of Critical Environmental Concern, Wilderness Areas, Wild and Scenic Rivers, wetlands, and Prime or Unique Farmlands.

#### **4. Degree to which the possible effects on the quality of the human environment are likely to be highly controversial.**

This decision for leasing additional coal reserves and its effects are not unique. Coal leasing decisions have been made in this area for over 75 years. There is no scientific controversy over the nature of the impacts. There is some uncertainty about the long-term cumulative effects of GHGs and how these effects can be managed. Reclamation and revegetation has been successful in the past and can continue to be successful. The potential intensity of effects on the quality of the human environment is minimal.

#### **5. Degree to which the possible effects on the quality of the human environment are highly uncertain or involve unique or unknown risk.**

The project is not unique or unusual in this area. Coal mining has been ongoing in the area for over a century and the Department of Interior has been leasing coal in the area for over 75 years. The BLM has been making decisions on similar actions for many years and has experience implementing similar actions in this area. There are no predicted potential effects to the human environment that are considered to be highly uncertain or to involve unique or unknown risks.

**6. Degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.**

This decision is not precedent setting. The Proposed Action was considered in the context of past, present and reasonably foreseeable actions. This decision is not unusual and significant cumulative effects are not predicted. This decision does not entail any known issues or elements that would create a precedent for future mining or mine venting decisions. The decision does not represent a decision in principle about a future consideration. Documentation in an EIS is not required.

**7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.**

The Proposed Action was considered in the context of past, present, and reasonably foreseeable actions. Because methane emission rates are roughly correlated with coal production rates, and because coal production under the Proposed Action is expected to be consistent with current production levels, the rate of methane emission is not expected to differ greatly from current emission rates. Accurately predicting the degree of impact any single emitter of GHGs may have on global climate change or the changes to biotic and abiotic systems that accompany climate change is not possible at this time. As such, the controversy is to what extent GHG emissions resulting from implementation of the Proposed Action may contribute to global climate change as well as the accompanying changes to natural systems. The degree to which any observable changes can or would be attributable to the Proposed Action cannot be reasonably predicted at this time. Therefore, significant cumulative effects are not predicted.

**8. The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed on the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.**

No potential impacts to districts, sites, highways, or structures have been identified within the LBA. Lease by Application does not authorize any new construction or surface disturbance, therefore it has no potential to effect historic properties, but it gives the lessor rights to the underground coal. A mine plan revision will be required to add the COC74813 lease, a 3,157.43 acres area, to the current mine plan. Consultation with the Colorado State Historic Preservation Office (SHPO) will be done prior to approving the mine plan revision, to comply with Section 106 of the National Historic Preservation Act (NHPA).

All nitrogen injection holes, ventilation shafts, degas holes, and any other surface disturbance associated with the lease are subject to compliance requirements under Section 106 of the NHPA, and will undergo separate standard cultural resources inventory and evaluation procedures at the time of proposal. If historic properties are located during any subsequent field inventories in this area, and the BLM determines that mine related activities will adversely impact the properties, projects will be redesigned, and/or mitigation will be identified and implemented in consultation with the SHPO.

**9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act (ESA) of 1973.**

The BLM prepared a Biological Assessment (BA) in compliance with Section 7(c) of the Endangered Species Act (ESA) and submitted to the BA to FWS in June 2012 to commence formal consultation of the potential impacts to federally listed, proposed, and candidate endangered and threatened species and addressed water depleting activities associated with the project. Cumulative water depletions from the Colorado River Basin are considered likely to jeopardize the continued

existence of the endangered Colorado River fishes and result in the destruction or adverse modification of their critical habitat.

The results of the BA are as follows:

- Depletions would remain within BME's 512 acre-feet per year Recovery Program allowance and the Proposed Action may affect but is not likely to adversely affect endangered Colorado River fishes or adversely modify designated critical habitat.
- The Proposed Action would have no measurable effects on black-footed ferret re-introduction or recovery efforts within this experimental Non-essential population area.
- The proposed action is expected to have no effect on Dudley Bluffs twinpod, and Dudley Bluffs bladderpod, Canada lynx, North American wolverine, Mexican spotted owl, yellow billed cuckoo, and greater sage-grouse.

The FWS Biological Opinion (BO) is in concurrence with the BA.

**10. Whether the action threatens a violation of federal, State, or local law or requirements imposed for the protection of the environment.**

Neither the Proposed Action nor impacts associated with it are known to violate any laws or requirements imposed for the protection of the environment.

**SIGNATURE OF AUTHORIZED OFFICIAL:** \_\_\_\_\_

Field Manager

**DATE SIGNED:**